

In general, air and water treatment equipment can qualify for the pollution control exemption so long as their primary purpose is treating or disposing of pollutants in the air or water which if remaining in the air or water without such treatment or disposal, would be offensive to human, plant, or animal life or to property. See the enclosed copy of 86 Ill. Adm. Code 130.335. (This is a GIL).

August 10, 1999

Dear Xxxxx:

This letter is in response to your letter dated July 28, 1999 to Director Bower. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), enclosed.

In your letter, you have stated and made inquiry as follows:

Yesterday I called your office with an inquiry regarding obtaining the material to register to collect sales tax for a retail venture my wife and I are starting.

I was pleased and surprised to be told that since the products we would be retailing were the air and water purification products of COMPANY that sales tax was waived since the products were exempt because of their uses in anti pollution situations.

I know I will be asked for proof of this exemption from time to time, and I am writing to respectfully request a brief letter from your office indicating that COMPANY products are exempt from sales tax because they fall under an anti pollution category.

I thank you for your time and consideration to this matter.

We have enclosed a copy of 86 Ill. Adm. Code 130.335 that describes the Pollution Control Facilities Exemption. The pollution control facilities exemption extends to "any system, method, construction, device or appliance appurtenant thereto sold or used or intended for the primary purpose of eliminating, preventing, or reducing air and water pollution as the term "pollution" is defined in the Environmental Protection Act (415 ILCS 5/1 et seq.), or for the primary purpose of treating, pretreating, modifying or disposing of any potential solid, liquid or gaseous pollutant which if released without such treatment, pretreatment, modification or disposal might be harmful, detrimental or offensive to human, plant or animal life, or to property." In general, air and water treatment equipment can qualify for the pollution control exemption so long as their primary purpose is treating or disposing of pollutants in the air or water which if remaining in the air or water without such treatment

or disposal, would be offensive to human, plant, or animal life or to property. Based upon the very limited information in your letter, we cannot be more specific about the particular items you intend to sell.

Please note that purchasers of pollution control facilities must comply with the certification requirements of subsection (a) of Section 130.335, otherwise the sale of such pollution control facilities is subject to tax. Sellers of pollution control facilities must retain those certificates in their books and records.

Persons who sell tangible personal property to Illinois customers for use or consumption are making retail sales and should be registered under the Retailers' Occupation Tax Act. See the enclosed copy of 86 Ill. Adm. Code 130.701. If sellers of tangible personal property make no taxable sales to Illinois customers, they may apply for resale numbers which would provide them the wherewithal to provide those numbers to suppliers in conjunction with Certificates of Resale when purchasing items that will be resold. See the enclosed copies of 86 Ill. Adm. Code 130.1405 and 130.1415. Acquisition of a resale number for this purpose does not require the filing of tax returns with the Department. We have enclosed a New Business Packet to assist you in registering with the Department.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Terry D. Charlton
Associate Counsel

TDC:msk
Enc.